



Senate

General Assembly

File No. 33

January Session, 2023

Substitute Senate Bill No. 895

Senate, March 7, 2023

The Committee on Environment reported through SEN. LOPES of the 6th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING DEPOSIT INITIATOR ACCOUNTS, THE LABELING OF CERTAIN BEVERAGE CONTAINERS AND THE REVIEW OF MUNICIPAL PROGRAMS FUNDED BY NIP PAYMENTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (a) of section 22a-12 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective from*
3 *passage*):

4 (a) The council shall submit annually to the Governor an
5 environmental quality report, which shall set forth: (1) The status of the
6 major environmental categories including, but not limited to, the air, the
7 water and the land environment; (2) current and foreseeable trends in
8 the quality, management and utilization of the environment and the
9 effects of such trends on the social, economic and health requirements
10 of the state; (3) the adequacy of available natural resources for fulfilling
11 human and economic requirements of the state in the light of projected
12 population pressures; (4) a review of the programs and activities of the
13 state and local governments and private organizations, with particular

14 reference to their effect on the environment and on the conservation,
15 development and utilization of natural resources, including, but not
16 limited to, programs and measures of local governments implemented
17 pursuant to subsection (d) of section 22a-244b; (5) a program for
18 remedying the deficiencies of existing programs and activities, together
19 with recommendations for legislation; and (6) the progress towards
20 achievement of the goals and objectives established in the state-wide
21 environmental plan.

22 Sec. 2. Section 22a-244 of the general statutes, as amended by section
23 2 of public act 21-58 and section 9 of public act 22-1 of the November
24 special session, is repealed and the following is substituted in lieu
25 thereof (*Effective January 1, 2024*):

26 (a) (1) Every beverage container containing a carbonated beverage
27 sold or offered for sale in this state, except for any such beverage
28 containers sold or offered for sale for consumption on an interstate
29 passenger carrier, shall have a refund value. Such refund value shall not
30 be less than ten cents and shall be a uniform amount throughout the
31 distribution process in this state. (2) Every beverage container
32 containing a noncarbonated beverage sold or offered for sale in this state
33 shall have a refund value, except for beverage containers containing a
34 noncarbonated beverage that are (A) sold or offered for sale for
35 consumption on an interstate passenger carrier, or (B) that comprise any
36 dealer's existing inventory as of March 31, 2009. Such refund value shall
37 not be less than ten cents and shall be a uniform amount throughout the
38 distribution process in this state.

39 (b) Every beverage container sold or offered for sale in this state, that
40 has a refund value pursuant to subsection (a) of this section, shall clearly
41 indicate by embossing or by a stamp or by a label or other method
42 securely affixed to the beverage container (1) either the refund value of
43 the container or the words "return for deposit" or "return for refund" or
44 other words as approved by the Department of Energy and
45 Environmental Protection, and (2) either the word "Connecticut" or the
46 abbreviation "Ct.", provided this subdivision shall not apply to glass

47 beverage containers permanently marked or embossed with a brand
48 name. The provisions of this subsection shall not apply to any beverage
49 container that comprises any dealer's inventory as of December 31, 2022,
50 provided such beverage container was not required to have a refund
51 value as of such date pursuant to the provisions of section 22a-243 and
52 this section. Nothing in this subsection shall be construed to prohibit the
53 sale or offering for sale of any beverage container that is embossed,
54 stamped, labeled or otherwise affixed with a refund value of five cents,
55 provided such beverage container comprises any dealer's inventory as
56 of December 31, 2023.

57 (c) No person shall sell or offer for sale in this state any metal
58 beverage container (1) a part of which is designed to be detached in
59 order to open such container, or (2) that is connected to another
60 beverage container by a device constructed of a material which does not
61 decompose by photodegradation, chemical degradation or
62 biodegradation within a reasonable time after exposure to the elements.

63 (d) On and after January 1, 2024, each beverage container sold or
64 offered for sale in this state that has a refund value pursuant to
65 subsection (a) of this section, shall include a Universal Product Code
66 and barcode. Each deposit initiator shall provide such Universal
67 Product Code and barcode, with packaging information, to the reverse
68 vending machine system administrators and other system operators,
69 not less than thirty days prior to placement of any such beverage
70 container on the market.

71 Sec. 3. Subsection (d) of section 22a-245a of the general statutes is
72 repealed and the following is substituted in lieu thereof (*Effective from*
73 *passage*):

74 (d) (1) On or before April 30, 2009, each deposit initiator shall pay the
75 balance outstanding in the special account that is attributable to the
76 period from December 1, 2008, to March 31, 2009, inclusive, to the
77 Commissioner of Energy and Environmental Protection for deposit in
78 the General Fund. Thereafter, the balance outstanding in the special
79 account that is attributable to the immediately preceding calendar

80 quarter shall be paid by the deposit initiator one month after the close
81 of such quarter to the Commissioner of Energy and Environmental
82 Protection for deposit in the General Fund. If the amount of the required
83 payment pursuant to this subdivision is not paid by the date seven days
84 after the due date, a penalty of ten per cent of the amount due shall be
85 added to the amount due. The amount due shall bear interest at the rate
86 of one and one-half per cent per month or fraction thereof, from the due
87 date. Any such penalty or interest shall not be paid from funds
88 maintained in the special account.

89 (2) On or before October 31, 2010, each deposit initiator shall pay the
90 balance outstanding in the special account that is attributable to the
91 period from July 1, 2010, to September 30, 2010, inclusive, to the
92 Commissioner of Revenue Services for deposit in the General Fund.
93 Subsequently, for the fiscal year ending June 30, 2023, ninety-five per
94 cent of the balance outstanding in the special account that is attributable
95 to the immediately preceding calendar quarter shall be paid by the
96 deposit initiator on or before the last day of the month next succeeding
97 the close of such quarter to the Commissioner of Revenue Services for
98 deposit in the General Fund, for the fiscal year ending June 30, 2024,
99 sixty-five per cent of the balance outstanding in the special account that
100 is attributable to the immediately preceding calendar quarter shall be
101 paid by the deposit initiator on or before the last day of the month next
102 succeeding the close of such quarter to the Commissioner of Revenue
103 Services for deposit in the General Fund, for the fiscal year ending June
104 30, 2025, fifty-five per cent of the balance outstanding in the special
105 account that is attributable to the immediately preceding calendar
106 quarter shall be paid by the deposit initiator on or before the last day of
107 the month next succeeding the close of such quarter to the
108 Commissioner of Revenue Services for deposit in the General Fund and
109 for the fiscal year ending June 30, 2026, and each subsequent fiscal year
110 thereafter, forty-five per cent of the balance outstanding in the special
111 account that is attributable to the immediately preceding calendar
112 quarter shall be paid by the deposit initiator on or before the last day of
113 the month next succeeding the close of such quarter to the
114 Commissioner of Revenue Services for deposit in the General Fund. If

115 the amount of the required payment pursuant to this subdivision is not
116 paid on or before the due date, a penalty of ten per cent of the amount
117 due and unpaid, or fifty dollars, whichever is greater, shall be imposed.
118 The amount due and unpaid shall bear interest at the rate of one per cent
119 per month or fraction thereof, from the due date. Any such penalty or
120 interest shall not be paid from funds maintained in such special account.
121 Such required payment shall be made by electronic funds transfer to the
122 Commissioner of Revenue Services, in the manner provided by chapter
123 228g.

124 (3) Notwithstanding the provisions of subdivision (2) of this
125 subsection, the balances outstanding in the special account that are
126 attributable to the calendar quarters commencing July 1, 2023, and
127 October 1, 2023, shall not be paid by the deposit initiator on or before
128 the last day of the month next succeeding the close of such quarters to
129 the Commissioner of Revenue Services for deposit in the General Fund.
130 Such balances shall be retained in the special account by the deposit
131 initiator for the purpose of reimbursement of the ten cents refund value
132 for a redeemed beverage container in accordance with the provisions of
133 subsection (b) of this section and section 22a-244, as amended by this
134 act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	22a-12(a)
Sec. 2	<i>January 1, 2024</i>	22a-244
Sec. 3	<i>from passage</i>	22a-245a(d)

ENV *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$
Revenue Serv., Dept.	GF - Revenue Loss	11.7 million	None

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill, which requires distributors to retain all unclaimed bottle deposits from July 1, 2023 through December 31, 2023, results in a one-time General Fund revenue loss of \$11.7 million in FY 24.

Section 1 of the bill requires the Council on Environmental Quality (CEQ) to include, in its annual report, a review of the environmental programs and measures municipalities implemented with revenue generated from the five-cent nip surcharge, which is not anticipated to result in a fiscal impact to the CEQ. CEQ currently has existing resources that can be used for the data gathering and analysis necessary to carry out the review, either by filling its current staff vacancy (one of the council's two funded positions) or using those funds to hire an external consultant.

The Out Years

None.

OLR Bill Analysis**sSB 895*****AN ACT CONCERNING DEPOSIT INITIATOR ACCOUNTS, THE LABELING OF CERTAIN BEVERAGE CONTAINERS AND THE REVIEW OF MUNICIPAL PROGRAMS FUNDED BY NIP PAYMENTS.*****SUMMARY**

This bill makes the following two changes to the state's beverage container redemption law ("bottle bill") related to the January 1, 2024, increase in the deposit (i.e., refund value) amount:

1. allows dealers (e.g., retailers) to sell or offer for sale beverage containers labeled with a five-cent deposit after January 1, 2024, as long as the containers were part of a dealer's inventory on December 31, 2023 (§ 2); and
2. requires deposit initiators (e.g., distributors) to keep all unclaimed deposits from July 1, 2023, to the end of the calendar year, for purposes of reimbursing the 10-cent deposit on redeemed beverage containers (§ 3).

The state's bottle bill generally requires a deposit to be charged on each beverage container at the time of purchase, which is then refunded to the consumer when they redeem the empty container at the retailer or a redemption center. On January 1, 2024, the deposit amount of these containers increases from five cents to 10 cents.

The bill also requires the Council on Environmental Quality to include in the annual environmental quality report it submits to the governor a review of the programs and measures local governments implemented with funds received from the state's nip surcharge (§ 1). By law, there is a five-cent surcharge on each nip sale in Connecticut. A "nip" is a beverage container containing of 50mL or less of a spirit or

liquor. Wholesalers must remit the surcharge for each nip sold to the municipality where the sale occurred, and municipalities must use these funds for environmental efforts to reduce the amount of solid waste generated in the municipality or the impact of litter (CGS § 22a-244b).

EFFECTIVE DATE: Upon passage, except the provision on selling outdated 5-cent deposit beverage containers is effective January 1, 2024.

UNCLAIMED DEPOSITS

Under the bottle bill, deposit initiators must place an amount equal to the deposits they collect on sales into a separate, interest-bearing account to refund deposits on redeemed beverage containers.

Under current law, quarterly, deposit initiators must pay the revenue services commissioner 95% of the outstanding account balance attributable to the previous calendar quarter, for deposit in the General Fund. On July 1, 2023, this payment amount declines to 65%. But, under the bill, deposit initiators keep 100% of the outstanding balances attributable to the calendar quarters beginning July 1, 2023, and October 1, 2023, to refund the 10-cent deposits that apply on January 1, 2024.

Under existing law, unchanged by the bill, if a deposit initiator does not have enough funds in the account in any quarter to pay all deposit refunds, it must subtract the deficiency from the next quarterly payment to the revenue services commissioner until the deficiency is completely subtracted (CGS § 22a-245a(e)).

COMMITTEE ACTION

Environment Committee

Joint Favorable Substitute

Yea 32 Nay 0 (02/17/2023)